

1 STATE OF OKLAHOMA

2 2nd Session of the 57th Legislature (2020)

3 HOUSE BILL 3286

By: Taylor

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5
6 AS INTRODUCED

7 An Act relating to public finance; amending 62 O.S.
8 2011, Sections 2003, 2004, 2006 and 2007, which
9 relate to the Rural Economic Action Plan; modifying
10 population limits with respect to eligible
11 expenditures for cities and towns; providing an
12 effective date; and declaring an emergency.

13 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

14 SECTION 1. AMENDATORY 62 O.S. 2011, Section 2003, is
15 amended to read as follows:

16 Section 2003. A. Monies appropriated by law to the Oklahoma
17 Water Resources Board for the purpose of funding the Rural Economic
18 Action Plan grant program and the Rural Economic Action Plan Water
19 Projects Fund shall be administered by the Oklahoma Water Resources
20 Board as provided by this section.

21 B. The monies referred to in subsection A of this section shall
22 be distributed to eligible cities and towns, unincorporated areas or
23 other qualified entities located within the areas represented by the
24 following organizations:

1. Association of Central Oklahoma Governments (ACOG);
2. Association of South Central Oklahoma Governments (ASCOG);
3. Central Oklahoma Economic Development District (COEDD);
4. Eastern Oklahoma Economic Development District (EOEDD);
5. Grand Gateway Economic Development Association (GGEDA);
6. Indian Nations Council of Governments (INCOG);
7. Kiamichi Economic Development District (KEDDO);
8. Northern Oklahoma Development Association (NODA);
9. Oklahoma Economic Development Association (OEDA);
10. Southern Oklahoma Development Association (SODA); and
11. South Western Oklahoma Development Authority (SWODA).

C. The monies referred to in subsection A of this section shall not be expended for the benefit of cities or towns with a population in excess of ~~seven thousand (7,000)~~ nine thousand five hundred (9,500) persons according to the latest Federal Decennial Census. Funds may also be expended for any city or town with a population below ~~seven thousand (7,000)~~ nine thousand five hundred (9,500) persons based upon the current population estimate according to the U.S. Census Bureau. Funds may be expended for such cities and towns until the next following Federal Decennial Census. Any municipality may enter into an agreement with an entity described in subsection B of this section to apply for available funds described by this section if the municipality is located within the area served by the

1 entity. Upon approval of the application, funds shall be paid to
2 the municipality requesting the funds.

3 D. An entity described in subsection B of this section may
4 apply for a grant to be used for the benefit of an unincorporated
5 area within a county served by that entity if the area benefited
6 does not contain a population in excess of ~~seven thousand (7,000)~~
7 nine thousand five hundred (9,500) persons. Any county may enter
8 into an agreement with an entity described in subsection B of this
9 section if the county is located within the area served by the
10 entity. Upon approval of the application, funds shall be paid to
11 the county requesting the funds.

12 E. The monies referred to in subsection A of this section may
13 be expended for water quality projects, including but not limited to
14 sewer line construction or repair and related storm or sanitary
15 sewer projects, water line construction or repair, water treatment,
16 water acquisition, distribution or recovery and related projects.

17 F. Any city or town with a population less than one thousand
18 seven hundred fifty (1,750) persons according to the latest Federal
19 Decennial Census shall have a higher priority for funds allocated by
20 the Oklahoma Water Resources Board from the amount referred to in
21 subsection A of this section than jurisdictions of greater size.
22 Among such cities or towns, those municipalities having relatively
23 weaker fiscal capacity shall have a priority for project funding in
24 preference to other municipalities.

1 G. The Oklahoma Water Resources Board shall establish ten
2 separate accounts containing one-tenth (1/10) of the amount annually
3 appropriated to the Rural Economic Action Plan Water Projects Fund
4 per account. Each account shall be available for distribution to
5 qualified entities located within the area served by entities
6 described in subsection A of Section 2007 of this title or for
7 distribution to benefit unincorporated areas with the exception of
8 one account which shall be divided equally into two subaccounts.
9 Each one of the two subaccounts shall be available for distribution
10 to qualified entities located within the respective jurisdiction of
11 one of the entities described by subsection B of Section 2007 of
12 this title or for distribution to benefit unincorporated areas. No
13 funds deposited into one account or subaccount shall be transferred
14 to any other account. The total expenditure from any one account or
15 subaccount for each fiscal year may not exceed the amount of funds
16 available to each account as may be provided by law.

17 H. No city, town or other entity to which funds will be awarded
18 pursuant to this section shall be required to provide any form of
19 match to obtain the funds, whether through cash, services or any
20 other method.

21 I. The Oklahoma Water Resources Board shall not be allowed to
22 retain any of the funds referred to in subsection A of this section
23 for administration. All such funds shall be distributed to eligible
24 entities as authorized by law.

1 J. In order to ensure fair and equitable distribution of the
2 funds referred to in subsection A of this section, the Oklahoma
3 Water Resources Board shall promulgate rules for administering,
4 determining priority of, approving and funding applications for such
5 funds. The rules shall implement the provisions of this section
6 including the following:

7 1. No qualified entity shall be approved nor funded for more
8 than One Hundred Fifty Thousand Dollars (\$150,000.00) from such
9 funds in any twelve-month period;

10 2. If a qualified entity has previously been approved for or
11 received such funds and makes a subsequent application, that
12 subsequent application may be assigned lower priority than an
13 application by qualified entities who have not previously been
14 approved for or received such funds;

15 3. In order to prevent substantially the same entity or area
16 from receiving an undue advantage, a political subdivision and all
17 its public trusts and similar subordinate entities together shall be
18 treated as one and the same qualified entity; provided rural water
19 or sewer districts shall not be construed to be subordinate entities
20 of counties unless the effect would be to make multiple grants to
21 substantially the same entity or service area; and

22 4. The Oklahoma Water Resources Board may establish limited
23 time periods for processing applications for available funds.
24

SECTION 2. AMENDATORY 62 O.S. 2011, Section 2004, is amended to read as follows:

Section 2004. A. The monies appropriated to the Rural Economic Action Plan Fund shall be subject to all of the requirements of Sections 2006 through 2013 of this title.

B. In a fiscal year for which the amount appropriated to the Rural Economic Action Plan Fund is less than or equal to the sum of Fifteen Million Five Hundred Thousand Dollars (\$15,500,000.00), there shall be deposited into each of the accounts provided by Section 2006 of this title the sum of one-tenth (1/10) of the amount appropriated to the Rural Economic Action Plan Fund with the exception of one account which shall be divided equally into two subaccounts. One of the two subaccounts shall be available to one and only one of the entities described by subsection B of Section 2007 of this title for distribution to cities or towns within the respective jurisdiction of the entity if the population of such city or town does not exceed ~~seven thousand (7,000)~~ nine thousand five hundred (9,500) persons according to the latest Federal Decennial Census or for the benefit of an unincorporated area. Funds may also be expended for any city or town with a population below ~~seven thousand (7,000)~~ nine thousand five hundred (9,500) persons based upon the current population estimate according to the U.S. Census Bureau. Funds may be expended for such cities and towns until the next following Federal Decennial Census. Provided, for any fiscal

1 year following the first fiscal year that the provisions of
2 subsection D of this section have taken effect, funds appropriated
3 to the Rural Economic Action Plan Fund shall be deposited as
4 provided in subsection D of this section and the provisions of this
5 subsection shall not be in effect.

6 C. In a fiscal year for which the amount appropriated to the
7 Rural Economic Action Plan Fund is greater than Fifteen Million Five
8 Hundred Thousand Dollars (\$15,500,000.00), but less than Seventeen
9 Million Fifty Thousand Dollars (\$17,050,000.00), there shall be
10 deposited into each of nine separate accounts for the entities
11 described by subsection A of Section 2007 of this title the sum of
12 One Million Five Hundred Fifty Thousand Dollars (\$1,550,000.00).
13 There shall be divided equally between two additional accounts for
14 the use and benefit of the entities described by subsection B of
15 Section 2007 of this title the balance of any such appropriation in
16 excess of Thirteen Million Nine Hundred Fifty Thousand Dollars
17 (\$13,950,000.00), but less than Seventeen Million Fifty Thousand
18 Dollars (\$17,050,000.00).

19 D. In the first fiscal year for which the amount appropriated
20 to the Rural Economic Action Plan Fund equals or exceeds the sum of
21 Seventeen Million Fifty Thousand Dollars (\$17,050,000.00), and in
22 every subsequent fiscal year, there shall be deposited an equal
23 amount to each of eleven accounts created for the use and benefit of
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1 the entities described by subsections A and B of Section 2007 of
2 this title.

3 E. Regardless of the number of accounts created based upon the
4 appropriation amount to the Rural Economic Action Plan Fund, all
5 expenditures from all accounts shall be governed by the limitations
6 imposed pursuant to Sections 2002 through 2013 of this title,
7 including the limitations applicable to expenditures for the benefit
8 of cities or towns based upon population limits or expenditures for
9 the benefit of unincorporated areas.

10 SECTION 3. AMENDATORY 62 O.S. 2011, Section 2006, is
11 amended to read as follows:

12 Section 2006. A. There is hereby established a fund within the
13 State Treasury to be known as the Rural Economic Action Plan Fund,
14 to be administered by the Oklahoma Department of Commerce. The fund
15 shall be a continuing fund not subject to fiscal year limitations.
16 Within the Rural Economic Action Plan Fund there shall be
17 established separate accounts as prescribed by Section 2004 of this
18 title into which shall be deposited such funds as may be provided by
19 law.

20 B. Except as otherwise provided by Section 2004 of this title,
21 one of nine accounts shall be available to each entity described in
22 subsection A of Section 2007 of this title.

23 C. Except as otherwise provided by Section 2004 of this title,
24 one account shall be divided equally into two subaccounts. One of

1 the two subaccounts shall be available to each of the entities
2 described by subsection B of Section 2007 of this title for
3 distribution to any city or town within the respective jurisdiction
4 of the entity if the population of such city or town does not exceed
5 ~~seven thousand (7,000)~~ nine thousand five hundred (9,500) persons
6 according to the latest Federal Decennial Census or for the benefit
7 of an unincorporated area. Funds may also be expended for any city
8 or town with a population below ~~seven thousand (7,000)~~ nine thousand
9 five hundred (9,500) persons based upon the current population
10 estimate according to the U.S. Census Bureau. Funds may be expended
11 for such cities and towns until the next following Federal Decennial
12 Census.

13 D. No funds deposited into one account or subaccount shall be
14 transferred to any other account. No entity may access any more
15 than one account per fiscal year and the total expenditure from any
16 one account for each fiscal year may not exceed the amount of funds
17 available to each account as may be provided by law.

18 E. No monies in the Rural Economic Action Plan Fund shall be
19 used for the payment of administrative expenses, salaries or any
20 other continuing obligation of the Oklahoma Department of Commerce.

21 SECTION 4. AMENDATORY 62 O.S. 2011, Section 2007, is
22 amended to read as follows:

23 Section 2007. A. A voluntary association of Oklahoma local
24 governmental jurisdictions or another legal entity, including a

1 public trust or a nonprofit corporation or other entity which
2 performs functions for the benefit of or which exists for the
3 primary benefit of Oklahoma local governmental jurisdictions and
4 which is not described in subsection B of this section, shall be
5 eligible to obtain funding for rural economic development projects
6 as authorized by Section 2004 of this title or as authorized by
7 subsection B of Section 2006 of this title.

8 B. A voluntary association of Oklahoma local governmental
9 jurisdictions containing at least one municipality with a population
10 in excess of three hundred fifty thousand (350,000) persons
11 according to the latest Federal Decennial Census, shall be eligible
12 to obtain funding as authorized by Section 2004 of this title or as
13 authorized by subsection C of Section 2006 of this title.

14 C. The entities described in subsection A or B of this section
15 and which are eligible for any funds authorized by Section 2006 of
16 this title shall be prohibited from making expenditures on behalf of
17 or from making payment directly to any city or town with a
18 population in excess of ~~seven thousand (7,000)~~ nine thousand five
19 hundred (9,500) persons using any funds deposited to the Rural
20 Economic Action Plan Fund created by Section 2006 of this title.
21 Funds may also be expended for any city or town with a population
22 below ~~seven thousand (7,000)~~ nine thousand five hundred (9,500)
23 persons based upon the current population estimate according to the
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1 U.S. Census Bureau. Funds may be expended for such cities and towns
2 until the next following Federal Decennial Census.

3 D. An organization described in subsection A or B of this
4 section shall be authorized to make payment of funds obtained
5 pursuant to Section 2006 of this title directly to a county if the
6 funds are used for the benefit of an unincorporated area located
7 within the county to which payment is made if the area benefited
8 does not contain a population in excess of ~~seven thousand (7,000)~~
9 nine thousand five hundred (9,500) persons. After the county has
10 provided a request to an organization described in subsection A or B
11 of this section for funds to benefit an unincorporated area of the
12 county, together with a statement that the county has conducted a
13 review of the needs of unincorporated areas located within the
14 county and that the funding requested is consistent with the
15 evaluation of priorities for funds by the county, the funds
16 requested may be paid to the county. Any funds paid to a county
17 pursuant to the provisions of this subsection shall be expended by
18 the county exclusively for the purpose identified in the request.

19 E. No county to which funds are paid pursuant to the provisions
20 of subsection D of this section shall be liable to any person or
21 other legal entity for damages arising out of any condition, act,
22 omission or other cause alleged to have arisen as a result of a
23 project upon which funds expended pursuant to the authority of
24 subsection D of this section were paid to the county.

SECTION 5. This act shall become effective July 1, 2020.

SECTION 6. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

57-2-9474 MAH 12/30/19